

# Office of Attorney General Terry Goddard



STATE OF ARIZONA  
DEPARTMENT OF LAW  
1275 W. WASHINGTON STREET  
PHOENIX, ARIZONA 85007-2926  
[WWW.AZAG.GOV](http://WWW.AZAG.GOV)

ANDREA M. ESQUER  
PRESS SECRETARY  
PHONE: (602) 542-8019  
CELL PHONE: (602) 725-2200

**FOR IMMEDIATE RELEASE**

---

## **Terry Goddard Announces Tobacco Settlement Giving State \$790,000**

(Phoenix, Ariz. – Dec. 22, 2006) Attorney General Terry Goddard today announced a settlement with Scandinavian Tobacco Co. and a subsidiary cigarette manufacturer, House of Prince, that resolves a dispute over enforcement of the 1998 Master Settlement Agreement (MSA). Arizona will receive more than \$790,000 of the \$53.6 million nationwide settlement.

"This settlement preserves the MSA's integrity and resolves a long-standing dispute with these companies," Goddard said. "The MSA is primarily a public health agreement. As advocates for the public interest, we believe it is important to enforce all provisions of the MSA to help reduce tobacco use and protect consumers from its deadly consequences."

The MSA requires tobacco manufacturers that signed the agreement to make annual payments to the states, in part to compensate for billions of dollars in health care costs associated with treating tobacco-related diseases under state Medicaid programs. House of Prince, which is Denmark's only cigarette manufacturer, is a Participating Manufacturer under the MSA.

The settlement resolved a three-year court dispute over whether cigarettes manufactured by Scandinavian Tobacco and sold in the United States from 1999-2003 were subject to the MSA's payment requirements and other obligations. No cigarettes manufactured by Scandinavian Tobacco have been sold in the United States since 2003.

The State of California filed a lawsuit in 2003 to force House of Prince to make MSA payments for Scandinavian Tobacco's cigarettes. After California won preliminary legal rulings, House of Prince entered into settlement discussions that produced this agreement.

In addition to its payment provisions, the MSA created a broad array of restrictions on the advertising, marketing and promotion of cigarettes. For example, it prohibits the targeting of youth in cigarette advertising. It also restricts outdoor advertising of cigarettes, the advertising of cigarettes in public transit facilities and the use of cigarette brand names on merchandise.

###